

For Immediate Release

Contact: Karen Klugh  
(202) 296-5544, ext. 638

### **College Preparations Should Include a Talk about Credit Cards**

WASHINGTON, July 29, 2008 . . . If there's a teenager in your life who you want to use credit cards responsibly once he or she gets to college, the American Financial Services Association Education Foundation (AFSAEF) has three words of advice: talk it out.

"All too often, the use of credit cards while away at school is an area that doesn't get much attention when it comes to getting ready for college," says Susie Irvine, AFSAEF president and CEO. "Typically, parents and their children spend more time looking for the right computer or dorm furnishings, even though a college student's use of credit cards will have a major impact on his or her future."

Irvine thinks one reason why credit card use might get lost in the pre-college shuffle is because parents and other adults shy away from the topic. A recent poll by CreditCards.com, for example, found that Americans are more reluctant to talk about their credit card debt with someone they just met than their religious views, weight or salary, among other topics.

AFSAEF recommends that parents sit down with their college-bound students and go over the following:

- **Discuss the responsibilities that come with being a card user.** Make sure your son or daughter understands the dangers of using credit unwisely.
- **Choose a card option.** These include adding the student as an authorized user to your card account, co-signing a card in the student's name or getting an individual card for the student. A parent who co-signs is legally responsible if the account becomes delinquent. With an individual card, your son or daughter has sole responsibility for the payments.
- **Encourage comparison shopping.** Students getting their own card should look at offers from at least three issuers and read all disclosures and documentation before applying. Emphasize the importance of choosing a card based on its terms, not a "cool" giveaway.
- **Reach an agreement on the card's use.** Decide whether it will be used for routine school purchases, such as textbooks and supplies, or for emergencies only.
- **Set a monthly spending limit.** This amount can be less than the credit limit provided by the card issuer.

Based in Washington, D.C., the AFSA Education Foundation's ([www.afsaef.org](http://www.afsaef.org)) mission is to help consumers realize the benefits of responsible money management, understand the credit process and seek help if credit problems occur. Among the Foundation's free materials are *Understanding Credit Cards* (<http://www.afsaef.org/pdf/ACF8FBD.pdf>) and MoneySKILL® ([www.moneyskill.org](http://www.moneyskill.org)), an Internet-based curriculum that includes important basics about credit cards.

AFSAEF is affiliated with the American Financial Services Association (AFSA), the national trade association for the consumer credit industry, protecting access to credit and consumer choice.

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